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8 Attorneys for Complainant

9
10 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

13 L. GEORGE HUKRIEDE
ACCOUNTANCY CORPORATION
14 8295 Westminster Boulevard, Suite 250
Westminster, CA 92683

15 CPA Corporation Certificate No. 1794

16 Respondent.
17

Case No. AC-2009-8

DEFAULT DECISION
AND ORDER

[Gov. Code, §11520]

18 **FINDINGS OF FACT**

19 1. On or about March 3, 2009, Complainant Patti Bowers, in her official
20 capacity as the Acting Executive Officer of the California Board of Accountancy, Department of
21 Consumer Affairs, filed Accusation No. AC-2009-8 against L. George Hukriede Accountancy
22 Corporation (Respondent) before the California Board of Accountancy.

23 2. On or about July 21, 1981, the California Board of Accountancy (Board)
24 issued CPA Corporation Certificate No. COR 1794 to Respondent. The Certificate expired on
25 August 1, 2005 for failure to pay the required renewal fee. The Certificate has not been renewed.

26 3. On June 6, 2008, a Citation was filed against Respondent for practicing
27 accountancy without a valid permit. Respondent failed to comply with the Citation.

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1 4. On or about March 12, 2009, S. Sotelo, an employee of the Department of
2 Justice, served by Certified and First Class Mail a copy of the Accusation No. AC-2009-8,
3 Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code
4 sections 11507.5, 11507.6, and 11507.7 to Respondent's address of record with the Board, which
5 was and is: 8295 Westminster Boulevard, Suite 250, Westminster, CA 92683. A copy of the
6 Accusation and the Declaration of Service are attached as Exhibit A, and are incorporated herein
7 by reference.

8 5. Service of the Accusation was effective as a matter of law under the
9 provisions of Government Code section 11505, subdivision (c).

10 6. On or about March 17, 2009, the aforementioned documents were returned
11 by the U.S. Postal Service marked "Attempted Not Known."

12 7. On or about March 19, 2009, S. Sotelo, an employee of the Department of
13 Justice, served by Certified and First Class Mail a copy of the Accusation No. AC-2009-8,
14 Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code
15 sections 11507.5, 11507.6, and 11507.7 to another address for Respondent of: 14600
16 Goldenwest Street, Westminster, CA 92683. A copy of this March 19, 2009 Declaration of
17 Service is attached as Exhibit B, and is incorporated herein by reference.

18 8. Business and Professions Code section 118 states, in pertinent part:

19 (b) The suspension, expiration, or forfeiture by operation of law of a
20 license issued by a board in the department, or its suspension, forfeiture, or
21 cancellation by order of the board or by order of a court of law, or its surrender
22 without the written consent of the board, shall not, during any period in which it
23 may be renewed, restored, reissued, or reinstated, deprive the board of its
authority to institute or continue a disciplinary proceeding against the licensee
upon any ground provided by law or to enter an order suspending or revoking the
license or otherwise taking disciplinary action against the license on any such
ground.

24 9. Government Code section 11506 states, in pertinent part:

25 (c) The respondent shall be entitled to a hearing on the merits if the
26 respondent files a notice of defense, and the notice shall be deemed a specific
27 denial of all parts of the accusation not expressly admitted. Failure to file a notice
28 of defense shall constitute a waiver of respondent's right to a hearing, but the
agency in its discretion may nevertheless grant a hearing.

1 10. Respondent failed to file a Notice of Defense within 15 days after service
2 upon it of the Accusation, and therefore waived its right to a hearing on the merits of Accusation
3 No. AC-2009-8.

4 11. California Government Code section 11520 states, in pertinent part:

5 (a) If the respondent either fails to file a notice of defense or to appear at
6 the hearing, the agency may take action based upon the respondent's express
7 admissions or upon other evidence and affidavits may be used as evidence without
any notice to respondent.

8 12. Pursuant to its authority under Government Code section 11520, the Board
9 finds Respondent is in default. The Board will take action without further hearing and, based on
10 the evidence on file herein, finds that the allegations in Accusation No. AC-2009-8 are true.

11 13. The total cost for investigation and enforcement in connection with the
12 Accusation are \$1,975.00 as of April 8, 2009.

13 DETERMINATION OF ISSUES

14 14. Based on the foregoing findings of fact, Respondent L. George Hukriede
15 Accountancy Corporation has subjected its CPA Corporation Certificate No. 1794 to discipline.

16 1. A copy of the Accusation is attached.

17 2. The agency has jurisdiction to adjudicate this case by default.

18 3. The California Board of Accountancy is authorized to revoke Respondent's
19 CPA Corporation Certificate based upon the following violations alleged in the Accusation:

20 a. Respondent is subject to discipline under section 5100, subdivision
21 (d), in that Respondent continued to practice accountancy without a valid permit in
22 violation of section 5050 after Respondent's certified public accountancy corporation
23 certificate expired on August 1, 2005. The Board revoked the CPA license of Leslie
24 George Hukriede, Jr. effective April 29, 2007 for practicing without a permit and using a
25 name not registered with the Board, among other violations. Therefore, along with Mr.
26 Hukriede, Respondent practiced public accountancy without a valid permit and continued
27 in the practice of public accountancy after the expiration of Respondent's corporation
28 certificate.

1 b. Respondent is subject to discipline under section 5100, subdivision (d) in
2 that Respondent had an unlicensed corporate officer in violation of section 5154. Leslie George
3 Hukriede, Jr. was the sole shareholder of the Respondent L. George Hukriede Accountancy
4 Corporation. Effective on April 29, 2007, Certified Public Accountant Certificate No. CPA
5 16334 issued to Leslie George Hukriede, Jr. was revoked. Leslie George Hukriede, Jr. acted as
6 an accountancy corporation officer for Respondent even after his CPA license was revoked.

7 c. Respondent is subject to discipline under section 5100 in that Respondent
8 engaged in unprofessional conduct as defined in section 5156. The Board revoked the individual
9 CPA license of Leslie George Hukriede, Jr. who was the sole shareholder of the accountancy
10 corporation. After Mr. Hukriede's license revocation, both he and Respondent were issued
11 Citations on June 6, 2008 for the practice of public accountancy without valid permits. Neither
12 Mr. Hukriede nor Respondent complied with their Citations which ordered them to pay fines and
13 to cease and desist from holding out as an accountancy corporation and practicing public
14 accounting. Respondent acted unprofessionally by performing accounting services without a
15 license and by failing to comply with the Citation issued by the Board.

16 ORDER

17 IT IS SO ORDERED that CPA Corporation Certificate No. 1794, issued to
18 Respondent L. George Hukriede Accountancy Corporation, is revoked.

19 Pursuant to Government Code section 11520, subdivision (c), Respondent may
20 serve a written motion requesting that the Decision be vacated and stating the grounds relied on
21 within seven (7) days after service of the Decision on Respondent. The agency in its discretion
22 may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

23 This Decision shall become effective on 08-30-2009.

24 It is so ORDERED 07-31-2009

25
26 
27 FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
28 DEPARTMENT OF CONSUMER AFFAIRS

Exhibit A

Accusation No. AC-2009-8

March 12, 2009 Declaration of Service

1 EDMUND G. BROWN JR., Attorney General
of the State of California
2 JAMES M. LEDAKIS
Supervising Deputy Attorney General
3 KAREN L. GORDON, State Bar No. 137969
Deputy Attorney General
4 California Department of Justice
110 West "A" Street, Suite 1100
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7 Attorneys for Complainant

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9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
10 **STATE OF CALIFORNIA**
11

12 In the Matter of the Accusation Against:

13 L. GEORGE HUKRIEDE
ACCOUNTANCY CORPORATION
14 8295 Westminster Boulevard, Suite 250
Westminster, CA 92683

15 CPA Corporation Certificate No. 1794

16 Respondent.

Case No. AC-2009-8

A C C U S A T I O N

17
18 Complainant alleges:

19 **PARTIES**

20 1. Patti Bowers (Complainant) brings this Accusation solely in her official
21 capacity as the Executive Officer of the California Board of Accountancy, Department of
22 Consumer Affairs.

23 L. George Hukriede Accountancy Corporation - COR 1794

24 2. On or about July 21, 1981, the California Board of Accountancy (Board)
25 issued Certified Public Accountancy Corporation Certificate No. 1794 to L. George Hukriede
26 Accountancy Corporation.

27 3. The Board's license renewal records for L. George Hukriede Accountancy
28 Corporation (Respondent) Certificate No. 1794, are not available for the renewal periods prior to

1 June 1, 1986. The records available reflect that the certificate was in an expired status for the
2 period of June 1, 1986 through July 27, 1992 for failure to pay the renewal fee required by
3 Business and Professions Code section 5070.5 and file the renewal form.

4 4. Effective July 28, 1992, the certificate was renewed through May 31,
5 1994, upon receipt of the renewal fee and renewal form.

6 5. The Certificate was expired and was not valid during the period June 1,
7 1994 to June 29, 1997, for failure to pay the required renewal fee and file the renewal form.

8 6. Effective June 30, 1997, the certificate was renewed through June 30,
9 1998, upon receipt of the renewal fee and renewal form.

10 7. The Certificate was expired and was not valid during the period July 1,
11 1998 to November 16, 1998, for failure to pay the required renewal fee and file the renewal form.

12 8. Effective November 17, 1998, the certificate was renewed through July 31,
13 1999, upon receipt of the renewal fee and renewal form.

14 9. The Certificate was expired and was not valid during the period August 1,
15 1999 to October 26, 1999, for failure to pay the required renewal fee and file the renewal form.

16 10. Effective October 27, 1999, the certificate was renewed through July 31,
17 2001, upon receipt of the renewal fee and renewal form.

18 11. The Certificate was current and valid for the renewal period August 1,
19 2001 through July 31, 2003.

20 12. The Certificate was current and valid for the renewal period August 1,
21 2003 through July 31, 2005.

22 13. The Certificate expired on August 1, 2005 for failure to pay the required
23 renewal fee and file the renewal form and is currently in a "delinquent" status.

24 14. A Citation was filed against L. George Hukriede Accountancy Corp. on
25 June 6, 2008 for practicing accountancy without a valid permit.

26 15. L. George Hukriede Accountancy Corp. failed to comply with the Citation
27 which ordered it to pay fines and cease and desist from holding out and practicing as an
28 accountancy corporation.

1 Leslie George Hukriede, Jr. - CPA 16334

2 16. On or about April 23, 1971, the California Board of Accountancy issued
3 Certified Public Accountant Certificate No. CPA 16334 to Leslie George Hukriede Jr.

4 17. On March 25, 1997, the California Board of Accountancy filed Accusation
5 No. AC-97-8 against Leslie George Hukriede, Jr. for unprofessional conduct. The case was
6 settled and Mr. Hukriede's Certificate No. CPA 16334 was revoked; the revocation was stayed,
7 and his Certificate was placed on probation for three years with terms and conditions, effective
8 September 7, 1997.

9 18. On February 6, 2007, Accusation No. AC-2006-35 was filed against Leslie
10 George Hukriede, Jr., by the California Board of Accountancy. Mr. Hukriede was charged with
11 gross negligence, repeated acts of negligence, and failure to comply with professional standards,
12 failing to maintain audit documentation, engaging in the practice of accountancy under a firm
13 name that was not registered with the Board, false and misleading advertisement, and failure to
14 respond to written and telephonic inquiries from the Board and failure to respond to the Board's
15 investigative subpoena.

16 19. Respondent failed to timely file a Notice of Defense which resulted in a
17 Default Judgment against him. Effective on April 29, 2007, Certified Public Accountant
18 Certificate No. CPA 16334 issued to Leslie George Hukriede, Jr. was revoked as a result of the
19 Default Judgment.

20 20. The records of the Board reflect that Leslie George Hukriede Jr. is the sole
21 shareholder in L. George Hukriede Accountancy Corporation.

22 21. A Citation was filed against Leslie George Hukriede, Jr. on June 6, 2008
23 for practicing accountancy without a valid permit.

24 22. Leslie George Hukriede, Jr. did not comply with the Citation which
25 ordered him to pay fines and to cease and desist from holding out and practicing as an
26 accountant.

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24. Section 118, subdivision (b), states:

25. Section 5050 states, in pertinent part:

26. Section 5051 states:

(a) Holds himself or herself out to the public in any manner as one skilled in the knowledge, science, and practice of accounting, and as qualified and ready to render professional service therein as a public accountant for compensation.

(c) Offers to prospective clients to perform for compensation, or who does perform on behalf of clients for compensation, professional services that involve or require an audit, examination, verification, investigation, certification, presentation, or review of financial transactions and accounting records.

(e) In general or as an incident to that work, renders professional services to clients for compensation in any or all matters relating to accounting procedure and to the recording, presentation, or certification of financial information or data.

4

(g) Prepares or signs, as the tax preparer, tax returns for clients.
(h) Prepares personal financial or investment plans or provides to clients products or services of others in implementation of personal financial or investment plans.

(i) Provides management consulting services to clients.
The activities set forth in subdivisions (f) to (i), inclusive, are 'public accountancy' only when performed by a certified public accountant or public accountant, as defined in this chapter.

A person is not engaged in the practice of public accountancy if the only services he or she engages in are those defined by subdivisions (f) to (i), inclusive, and he or she does not hold himself or herself out, solicit, or advertise for clients using the certified public accountant or public accountant designation. A person is not holding himself or herself out, soliciting, or advertising for clients within the meaning of this section solely by reason of displaying a CPA or PA certificate in his or her office or identifying himself or herself as a CPA or PA on other than signs, advertisements, letterhead, business cards, publications directed to clients or potential clients, or financial or tax documents of a client.

27. Section 5100 states, in pertinent part:

After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

....

(g) Willful violation of this chapter or any rule or regulation promulgated by the board under the authority granted under this chapter.

28. Section 5107, subdivision (a), states, in pertinent part:

The executive officer of the board may request the administrative law judge, as a part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed a violation or violations of this chapter to pay to the board all reasonable costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees. The board shall not recover costs incurred at the administrative hearing.

29. Section 5154 states:

Except as provided in Section 5079 of this code and in Section 13403 of the Corporations Code, each director, shareholder, and officer of an accountancy corporation shall be a licensed person as defined in the Moscone-Know Professional Corporation Act, or a person licensed to render the same professional services in the jurisdiction or jurisdictions in which the person practices.

30. Section 5156 states, in pertinent part:

An accountancy corporation shall not do or fail to do any act the doing of which or the failure to do which would constitute unprofessional conduct under any statute, rule or regulation now or hereafter in effect. In the conduct of its practice, it shall observe and be bound by such statutes, rules and regulations to the same extent as a person holding a permit under Section 5070 of this code. The board shall have the same powers of suspension, revocation and discipline against

1 an accountancy corporation as are now or hereafter authorized by Section 5100 of
2 this code, or by any other similar statute against individual licensees . . .

3 31. Section 17500 states, in pertinent part:

4 It is unlawful for any person, firm, corporation or association, or any
5 employee thereof with intent directly or indirectly to dispose of real or personal
6 property or to perform services, professional or otherwise, or anything of any
7 nature whatsoever or to induce the public to enter into any obligation relating
8 thereto, to make or disseminate or cause to be made or disseminated before the
9 public in this state, or to make or disseminate or cause to be made or disseminated
10 from this state before the public in any state, in any newspaper or other
11 publication, or any advertising device, or by public outcry or proclamation, or in
12 any other manner or means whatever, including over the Internet, any statement,
13 concerning that real or personal property or those services, professional or
14 otherwise, or concerning any circumstance or matter of fact connected with the
15 proposed performance or disposition thereof, which is untrue or misleading, and
16 which is known, or which by the exercise of reasonable care should be known, to
17 be untrue or misleading, or for any person, firm, or corporation to so make or
18 disseminate or cause to be so made or disseminated any such statement as part of
19 a plan or scheme with the intent not to sell that personal property or those
20 services, professional or otherwise, so advertised at the price stated therein, or as
21 so advertised. Any violation of the provisions of this section is a misdemeanor
22 punishable by imprisonment in the county jail not exceeding six months, or by a
23 fine not exceeding two thousand five hundred dollars (\$2,500), or by both that
24 imprisonment and fine.

25 FIRST CAUSE FOR DISCIPLINE

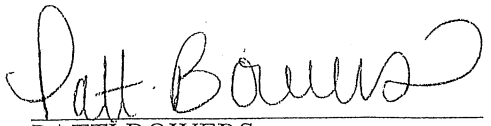
26 (Practice Without a Permit)

27 32. Respondent is subject to discipline under section 5100, subdivision (d), in
28 that Respondent continued to practice accountancy without a valid permit in violation of section
5050. Respondent's certified public accountancy corporation certificate expired on August 1,
2005. On or about February 19, 2008, Respondent engaged in the practice of public accountancy
without a valid permit. Respondent prepared a review report for Holiday Park Homeowners
Association under the firm name of L. George Hukriede Accountancy Corporation and signed by
L. George Hukriede, CPA. The Board revoked the CPA license of Leslie George Hukriede, Jr.
effective April 29, 2007 for practicing without a permit and using a name not registered with the
Board, among other violations. Therefore, along with Mr. Hukriede, Respondent practiced
public accountancy without a valid permit and continued in the practice of public accountancy
after the expiration of Respondent's corporation certificate.

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3. Taking such other and further action as deemed necessary and proper.

DATED: MAY 3, 2009



PATTI BOWERS
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California
Complainant

LA2004601924

CML (12/16/2004)
50034907